



# **Former PureGro Site Vision-to-Action (V2A) Summary Report**

**Prepared for    The City of Brawley, California  
by the            Center for Creative Land Recycling  
Oakland, California  
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### **About the Center for Creative Land Recycling (CCLR, or “see clear”)**

**CCLR is the oldest and only national, independent nonprofit organization whose mission is to enable communities to grow and prosper sustainably and equitably by revitalizing underutilized properties and helping return them to productive reuse. For over 20 years, CCLR has convened, consulted and collaborated with communities, government agencies and the private sector to encourage land redevelopment in ways that reduce inequity and increase community wellbeing. By serving as a trusted advisor, facilitator and project manager, CCLR builds local capacity to create job-generating redevelopment, restore the environment and build more equitable, healthy and prosperous futures.**



# Former PureGro Site Vision-2-Action - Summary Report Brawley, CA

## 1 Executive Summary

The following summary report outlines findings of a “Vision 2 Action” (V2A) process undertaken for the City of Brawley, California by the Center for Creative Land Recycling (CCLR) for a site in northeast Brawley, hereafter referred to as the “former PureGro site” (Site). This report summarizes the recommendations for the future reuse of the Site, which is on 1025 River Drive in Brawley, CA.

The City of Brawley (City) is an interested party to the cleanup and redevelopment of the Site. The City oversees land use, zoning, economic development, public safety, community services and the general well being of Brawley residents, and the cleanup of the Site is relevant to these responsibilities.

Cleanup planning on the Site is underway, under the oversight of the State of California Environmental Protection Agency, Department of Toxic Substances Control (DTSC). Chevron Corporation owns the Site. Under this process, Chevron prepared a Draft Remedial Action Plan (DRAP) to clean up the site to levels safe under the current zoning (M1-Industrial) in accordance with DTSC guidelines. The DRAP was subsequently withdrawn in order to solicit additional community input, which is the purpose of the V2A.

CCLR finds that future reuse of the site facilitates and informs the cleanup of a site. To this end, the City requested the assistance of the CCLR in facilitating discussions on possible future reuse alternatives of the Site. Under a V2A process, CCLR facilitates a stakeholder-based workshops to identify and evaluate the market feasibility of potential reuse options on the Site. The most viable redevelopment options will inform the City position on the cleanup of the Site.

The V2A exercise involved research, interviews and an interactive workshop.

1. CCLR reviewed real estate market information for a variety of possible reuse scenarios and surveyed the neighborhood surrounding the Site to identify possible uses that could be built on the Site.
2. CCLR interviewed experts in local real estate development for possible reuse options.
3. Based on the research and interviews, CCLR designed a workshop to convey general market conditions and to solicit ideas for the reuse of the site.
4. At the workshop, the community responded to general polling questions and participated in a mapping exercise that illustrated their desired reuse.
5. Using the research data, and results from community comments and mapping ideas, CCLR developed and analyzed the three reuse alternatives below. The feasibility analyses involved calculation of the costs and revenues of each alternative, and an estimation of the return on investment to a developer. The cost considerations on the site include the cost of land,

infrastructure (e.g., water, sewer, and roads) and land entitlement (e.g., environmental and zoning approval processing). The revenue projections were based on market research. The study assumes that a developer would have a minimum desired return on investing in a project that will eventually be sold or leased to the end user (e.g., residential buyer or industrial lessee). The reuse alternatives and market returns are described below.

- a. Scenario 1: Residential development of 40 market-rate single-family homes. This alternative most closely resembles the development that the community sketched during the mapping exercises. This option would require that the Site be rezoned from M1 to R1 zoning, and would need a subsidy of \$13.3 million to meet a developer's objectives.
- b. Scenario 2: Industrial development with a total leasable area of 182,000 square feet. The option would need a subsidy of about \$4.3 million to meet a developer's objectives.
- c. Scenario 3: Industrial development with a landscaped buffer, with a total leasable area of 106,000 square feet. This would need a subsidy of about \$6.0 million to meet a developer's objectives.

Financial assistance and local incentives may be used to narrow the funding gaps.

Based on these findings and analyses detailed in this report, CCLR finds that the most prudent course of action is retain the M1 zoning and for the City of Brawley continue to work with DTSC, Chevron and stakeholders for a remedial option and mitigations that encourages near-term reuse that is protective of adjacent residents from the impacts of remediation, redevelopment and operations on the PureGro Site. This suggests a reuse option ranging from Scenario 2 and Scenario 3 above.

As of the December 10, 2018 workshop, representatives from DTSC indicated that any alternatives presented would include removal of the stockpile on the Site. DTSC will use the reuse plan developed during the next few months as a basis for the revised DRAP. It must be noted that near-term remediation of the Site for M1 use does not preclude other future reuse options on the Site, which will need to be evaluated through additional assessment and cleanup. Nor does it prevent the property owner from voluntarily remediating the Site, or portions thereof, to a higher standard.

The alternatives are based on current land use, and economic and market conditions, as well as available government programs to assist cleanup and redevelopment of the Site. Since economic and market forces are outside the control of the City, DTSC, Chevron and most stakeholders, and will change over time, these alternatives may need to be reevaluated over time, as market forces and government assistance programs change.

CCLR appreciates the opportunity to participate in this process.

**The Center for Creative Land Recycling**

## 2 Introduction

The following summary report outlines findings of a “Vision 2 Action” (V2A) process undertaken for the City of Brawley, California by the Center for Creative Land Recycling (CCLR) for a site in northeast Brawley, hereafter referred to as the “former PureGro site” (Site). Cleanup planning on the Site is underway, under the oversight of the State of California Environmental Protection Agency, Department of Toxic Substances Control (DTSC). The purpose of the V2A is to identify and evaluate the market feasibility of potential reuse options on the Site. The V2A process brings together landowners and local stakeholders to identify market-feasible reuse options for underutilized property, which guides the City’s participation and informs DTSC’s remedial approach on the Site.



The Site as viewed from River Drive

### Site Location and History

The former PureGro Company formulated, stored, and distributed agricultural products from the 1940s to 2000 on an 11-acre parcel located at 1025 River Drive in Brawley, California. It is zoned M1-Industrial under the City’s Zoning Ordinance. The Site was subsequently purchased and is currently owned by the Chevron Corporation, which is also funding the remediation process. Prior to 2001, a warehouse, machine shop, storage areas, wash/rinse areas, underground and aboveground storage tanks, and other features were housed on the property. Buildings and other structures were demolished in 2001, and the site is now vacant and fenced. In 2006, with DTSC oversight, about 15,000 cubic yards of contaminated soil were excavated and removed from the vacant lot to the east of the property. These soils were put in a stockpile within a secondary fenced area on the Site, covered to prevent dust generation and monitored until a final remedy is approved and implemented.

### Remediation Process and Status

Between 2006 and 2017 soil and groundwater investigations took place for the Site and a Feasibility Study was conducted to assess potential remedies. Site soils are contaminated with pesticides, volatile organic compounds (VOCs), and metals. The Site groundwater is contaminated by DDT, petroleum, metals, chloride, nitrate, sulfate and total dissolved solids (TDS).



Figure 1: Location of former PureGro facility

In January 2018, DTSC and Chevron released a Draft Remediation Action Plan (DRAP) for the Site. The cleanup options in the DRAP were based on the current and anticipated zoning and land use when cleanup is completed, in accordance with DTSC regulations. The DRAP proposed an engineered cap of the Site with institutional and engineering controls and groundwater monitoring.

Due to community concerns about the remedy, the DRAP was withdrawn. Up until this time, the remediation process focused only on the cleanup options without any consideration of future reuse of the Site. The V2A was convened to seek community input of future reuse options.

More information on the PureGro project and status is available at [https://www.envirostor.dtsc.ca.gov/public/profile\\_report?global\\_id=13070097](https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=13070097).

The City is an interested party to the cleanup and redevelopment of the Site. The City oversees land use, zoning, economic development, public safety, community services and the general well being of Brawley residents, and the expedient and responsible cleanup and eventual reuse of the Site is relevant to these responsibilities.

In mid-2018, the City of Brawley retained CCLR to develop a V2A process for the Site. The purpose of this process was to identify alternative reuse options that would inform the cleanup approach. Focusing on reuse often facilitates cleanup of a site. It provides an opportunity for those residing and/or working near a site of the types of uses they would like to see on the site. Such information is useful to cities, the property owner, and potential developers and purchasers. A summary of the V2A process as well as public feedback and re-use options are detailed in the following sections of this report.

### **3 V2A Research and Workshop Summary**

Beginning October 2018, CCLR conducted research and interviewed several stakeholders on the possible reuse options on the Site. This included interviews with City representatives, the Housing Authority, Imperial Valley Development Economic Development Corporation, and Viridian Partners, an industrial developer. Housing and industrial market information was obtained from industry sources.

On Monday, December 10, 2018, CCLR and the City of Brawley jointly hosted a V2A workshop for Brawley residents, business owners, and other stakeholders at J.W. Oakley Elementary School. The workshop was publicized through mailed postcards to property owners within one half-mile of the former PureGro site, emails to those who requested information on the project either in-person or through the project website (<https://www.cclr.org/civicrm/event/info?reset=1&id=278>), and through direct invitations from the City of Brawley or CCLR. Mailed and e-mailed information was provided in both English and Spanish, as were all material provided during the workshop.

In addition to approximately 50 members of the public, 15 representatives from the City of Brawley, DTSC, CCLR, Cascadia Partners (CCLR's partner), Chevron, and Arcadis (consultant to Chevron), were in attendance. The workshop format consisted of introductory statements followed by a 30-minute presentation that included a discussion of redevelopment and audience polling. Finally, participants engaged in a mapping exercise to sketch their ideal end use on a map of the former PureGro site.

#### **Presentation and Redevelopment Discussion**

The intent of presentation was to discuss site conditions in the context of financial and regulatory steps needed to redevelop the Site into various possible uses. The level of effort varied with each alternative end use on the Site. The presentation included the following subjects:

- 1) Site context and history
- 2) Discussion of the redevelopment feasibility of various end uses for the Site including residential and industrial development.
- 3) Description of a typical redevelopment process
- 4) Site conditions and market conditions that need to be taken into consideration when planning for the redevelopment of the Site.

The presentation culminated with a summary of the physical (site), financial, and regulatory challenges that will be necessary to reuse the Site into different end uses, as shown in Figure 2 on the next page.



Figure 2: Redevelopment “hurdles” for various end uses

### Audience Polling

In addition to providing context about the site and information related to redevelopment, the presentation included a series of audience polling questions. These questions were intended to gauge the opinion of participants on a range of topics including user preferences and the timing of redevelopment. Results of each question are summarized in Figure 3 and explained below:

- Nearly three-quarters of participants were long-time residents of Brawley
- The vast majority visually interacted with the site on at least a monthly basis
- Three-quarters of respondents felt that redevelopment of the site was a high priority
- The opinions on how redevelopment should proceed were mixed.
- There was a lack of consensus regarding specific redevelopment priorities (visual, timing)
- Over 90% did not support delaying remediation for an ideal redevelopment option.

In addition to the responses to the polling questions, and before the mapping exercise started, there was consensus to begin site cleanup as soon as possible. DTSC also stated that all remedial options will include removal of the stockpile.

DTSC also provided the following clarifications and updates to the DRAP process:

1. Any cleanup alternatives presented would include removal of the stockpile on the Site.
2. Cleanup on the Site will required to levels safe for the current land use or foreseeable development on the Site, as determined by the City.
3. The City is the land use and zoning authority. DTSC has no land use authority.
4. DTSC will use the reuse plan developed during the next few months as a basis for the revised DRAP.

<b>How long have you lived in Brawley?</b>	<b>Percent of Respondents</b>
>5 Years	7%
5-10 Years	0%
10-20 Years	0%
20+ Years	71%
I don't live in Brawley	21%

<b>How often do you see the former PureGro site?</b>	<b>Percent of Respondents</b>
Almost never	13%
Once a month	31%
Every week	19%
Every day	38%

<b>How important is redevelopment of the former PureGro site?</b>	<b>Percent of Respondents</b>
Very important	75%
Somewhat important	6%
No opinion	6%
The site should never redevelop	13%

<b>Aside from remediation, what is your highest priority for the site?</b>	<b>Percent of Respondents</b>
Redevelop the site as soon as possible	25%
Improve the way the site looks from surrounding neighborhoods	25%
Hold out for an ideal re-use even if it does not happen for many years	8%
None of the above	42%

Figure 3: Summary of audience polling questions.

## Mapping Exercise

Following the introductory presentation and audience polling, participants formed groups and developed their ideal site plan for the former PureGro site. Each group was provided with an aerial image of the site as well as “play pieces” intended to represent different uses which they were to cut and paste onto the site map in their desired configuration.

The workshop participants developed five site plans. Commonalities among site plans included a focus on residential, large vegetated buffers, and building orientation away from the existing rail right-of-way adjacent to the western edge of the site. These site plans are included for reference below - note that green areas denote vegetated buffers, orange areas indicate housing, and yellow areas represent roads.

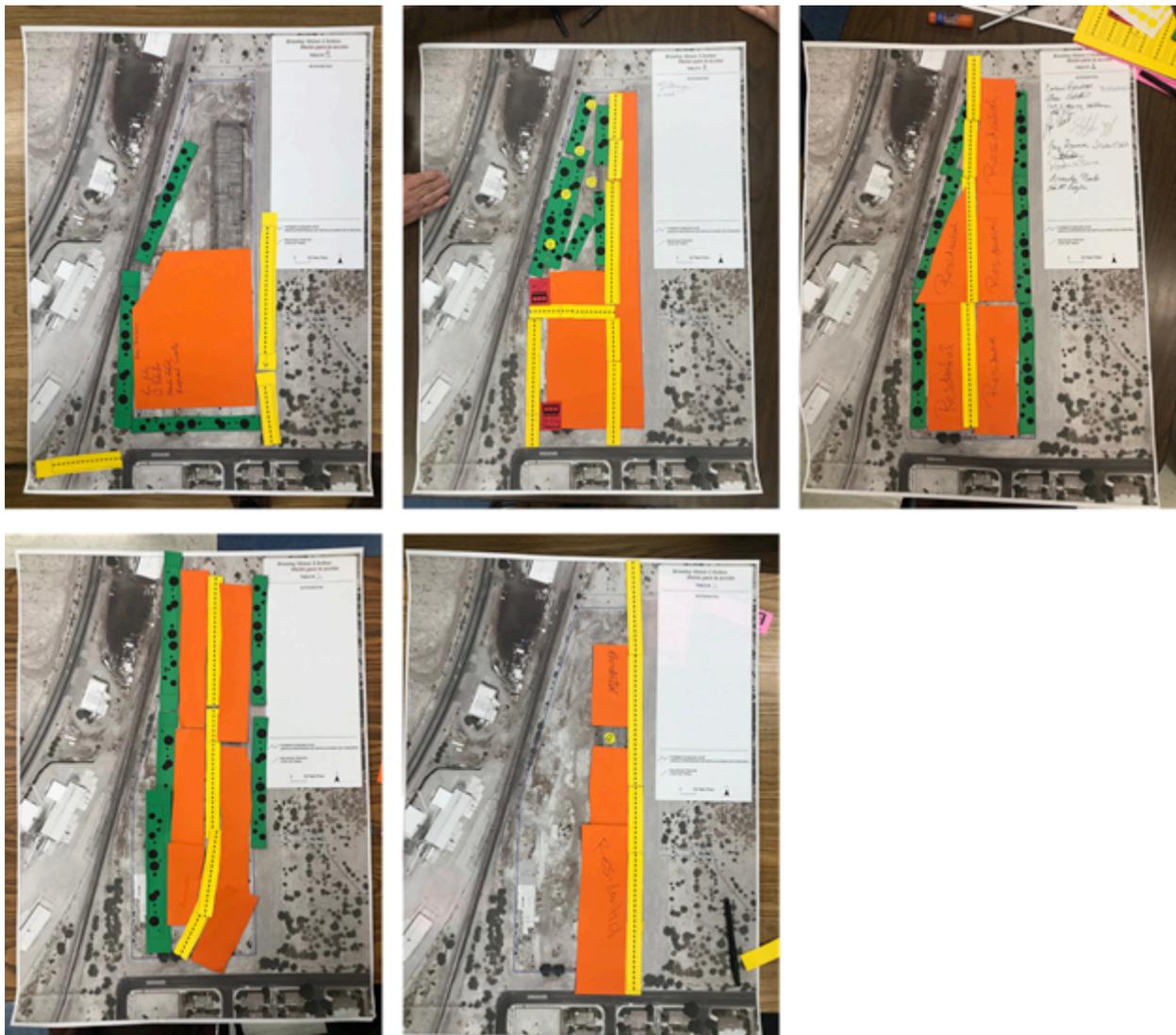


Figure 4: Five end-use concepts developed by workshop participants

## Additional Participant Comments

Participants reiterated their preference for the Site to be remediated to a residential cleanup standard. Participants were reminded during the workshop that the cleanup standard used for contaminated land is almost always based on its current land use or affirmed reuse plans of the local land use authority, which in this case is the City of Brawley.

CCLR used background research, survey responses, mapping exercises and additional audience input to develop redevelopment scenarios.

## Redevelopment Scenarios

Following the December 10th workshop, CCLR and Cascadia Partners summarized input received from participants. The five site plans developed by participants were synthesized into three redevelopment scenarios - one based on existing zoning and market trends, and two that were inspired by commonly-occurring themes from the workshop. Each redevelopment scenario was created to maximize redevelopment feasibility while still preserving a relationship to the input received. Real estate cost and revenue projections were used to model financial feasibility and local rents, sales prices, and construction costs were researched. Those assumptions are summarized in Figure 5 below.

Industrial Zones	M1
Asking Rent/Sqft	\$12
Construction Cost/Foot	\$57

Source: Loopnet  
Source: BuildingJournal.com

Residential Zones	R1	R2	R3
Sqare Feet	\$2,209	\$1,519	\$800
Asking Rent/Sqft	-	-	\$1
Asking Rent (Total)	-	-	\$560
Sales Price/Sqft	\$135	\$132	-
Total Sales Price	\$201,097	\$299,183	-
Construction Cost/Foot	\$110	\$115	\$75

Source: Zillow

Source: Zillow

Source: BuildingJournal.com

Figure 5: Brawley rents, sales prices, and construction costs.

## Scenario 1: Single-Family Subdivision

Scenario 1 resembles most closely the residential site plans created during the December 10th workshop. Specifically, Scenario 1 includes:

- Includes 40 market rate single-family lots at 6,000 square feet.
- The estimated unit size is 2100 square feet, based on local comparable sales.
- A 50-foot landscape buffer along the western edge and adjacent the railroad to mitigate noise and dust impacts typically found in sites adjacent to railways.
- Site preparation costs include the cost of constructing the houses, parking, roads, and infrastructure (e.g., roads and utilities). It also includes an estimated for the value of the land, cleaned up for the intended use. Remediation costs are not included.

Though participants did not specify the income and density of residential option, Scenario 1 uses a single-family, for-sale, market-rate product, which is the most financially viable among all other possible residential options. Other options considered were high-density market-rate apartments; high-density, income-restricted; and market-rate duplexes.

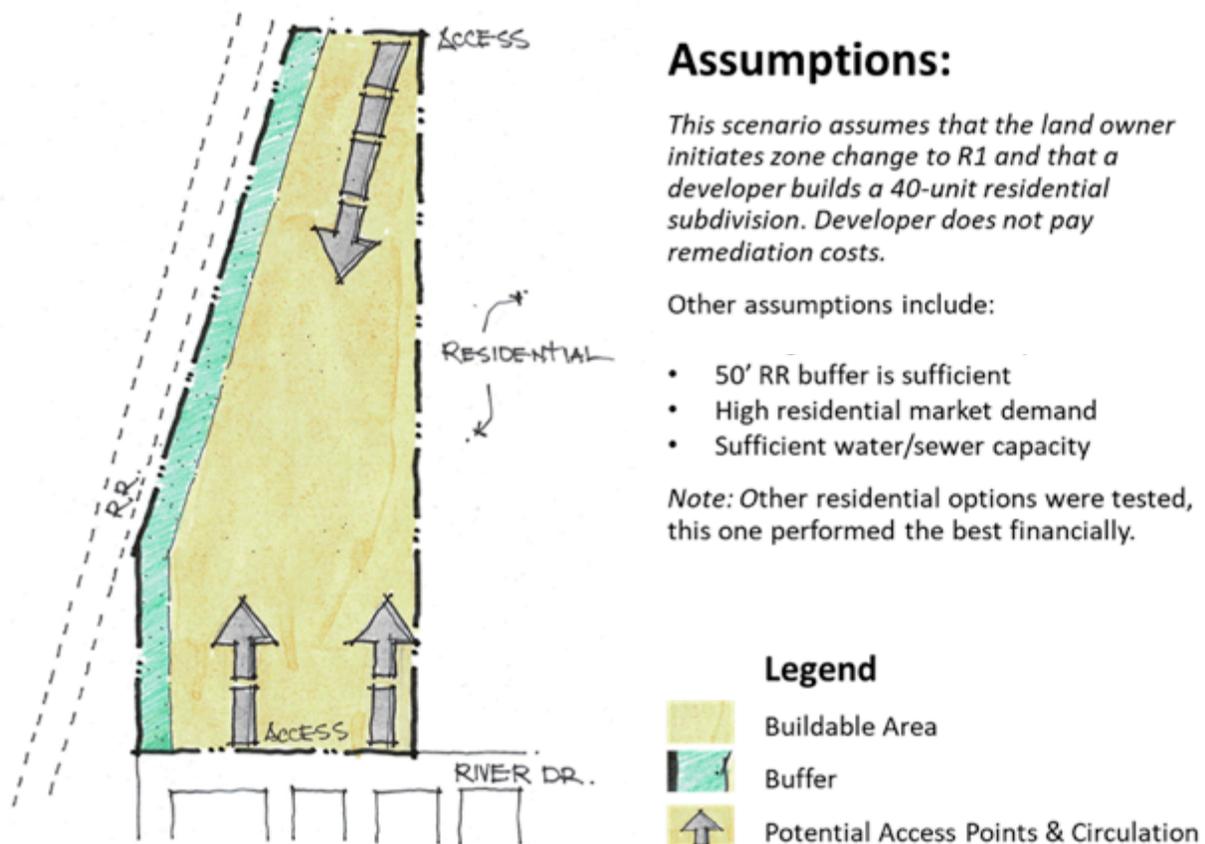


Figure 6: Scenario 1 Site Plan

## Detailed Assumptions and Estimated Financial Performance

<b>Site Info</b>	Zone	R1 - Residential
	Parcel Size	11 acres
<b>Program</b>	# of Units	40
	Lot Size (sf)	6,000
	Unit Size (sf)	2,100
<b>Costs</b>	<b>Hard Costs</b>	
	Buildings	\$8.4M
	Parking	\$256,000
	Infrastructure	\$7.8M
	Land	\$2.4M
	Remediation	0
	<b>Soft Costs</b>	
	Entitlement	\$500,000
	Other (legal, interest, fees, etc.)	\$4.4M
	<b>Total Project Cost</b>	<b>\$23.8M</b>
<b>Revenue</b>	Total Sales	\$12.6M
	Sales per Unit	\$315,000
<b>Financial Performance</b>	Does project meet target return	NO
	Subsidy required to meet target return	<b>\$13.3M</b>

Figure 7: Scenario 1 detailed financial assumptions

### Remediation Costs

As shown in Figure 7 above, no costs are allocated to remediation. It is assumed that remediation would be paid for through a combination of property owner resources and sources in the Gap Funding Options section for which the site may be eligible..

### Land Entitlement

Under this scenario, the Site would need to be rezoned from M1 to R1 zoning. Land entitlement is the legal process of obtaining approvals for development plans on a property, between a property owner and a city. In California, this process is lengthy and complicated, determines what can be done with the property, and involves studies and activities under the California Environmental Quality Act. (CEQA). The residential scenario is only possible if a zone change is initiated by the property owner and approved by the City of Brawley In order to account for land entitlement costs, \$500,000 was assumed.

### Land Costs

A land cost of \$5 per square foot, or \$2.4 million was assumed for the Site and based on other on-market vacant land in the area. This cost assumes remediation costs are not borne by the developer.

## **Infrastructure**

The residential scenario assumes that the adjacent entitled residential parcel is built and includes the proposed N. Palm Avenue/N. Duarte Street extension. It also assumes that sufficient water/sewer trunk lines are available at River Drive and do not require upgrades. Costs for construction of roads, sewer, and water service lines, and common landscaping internal to the site were included in the project costs at \$7.8 million. Ongoing maintenance of this infrastructure was assumed to be borne by the City of Brawley.

## **Market Outlook**

Population growth trends and the outlook provided in the 2013-2021 Housing Element of the City of Brawley's General Plan suggest the City of Brawley has adequate land available for projected housing needs. The housing element's survey of vacant, residentially zoned lands identified capacity for 7,755 housing units. As of this writing, numerous large parcels with existing residential entitlements remain vacant. Rancho Porter, for example, is entitled for over 1,200 units proposed on 210 acres that have yet to be built out.

These figures demonstrate an abundance of entitled supply of housing land within the City of Brawley. As of 2019, and nearing the end of this forecast period, it has not been demonstrated that a significant portion of the housing lands listed in the 2013 Housing Element have been developed. Thus the capacity on these lands are likely to be counted toward the next Housing Element, further reducing the need for new housing lands to meet future demand.

## **Scenario 1 Conclusions**

The cost and revenue calculations for Scenario 1 indicate that the best-case residential option for the Site would require \$13.3 million in subsidies in order to meet a developer's minimum return on investment. This amount does not include the remediation cost differential between commercial and residential, which will increase the need for subsidy or the remediation expense of the property owner. At 56% of total project cost, it is unlikely that such a subsidy could be obtained from all possible sources mentioned in the Gap Funding Options section of this report. In addition, the revenue calculations assume top-of-market sales prices for Brawley, which may not be achievable given proximity to a rail right-of-way. Given the abundance of existing entitled residential land, there is likely be little market demand or developer interest for conversion of the industrially-zoned former PureGro property to land for housing.

## Scenario 2: Industrial Park

The speculative industrial scenario consists of six platted parcels at 50,000 square feet or larger. These parcels are intended to reflect similar parcels seen in the M1-Industrial zoning found along the north side of River Drive to the east. The site configuration directs truck and employee traffic away from existing residential neighborhoods by not connecting through the site. In addition, development intensity is pulled away from adjacent residential, both existing and proposed. This zoning category requires 20-foot front setbacks and 10-foot rear setbacks and includes the construction of a masonry wall along the southern and eastern edges due to these boundaries being adjacent residential zones.

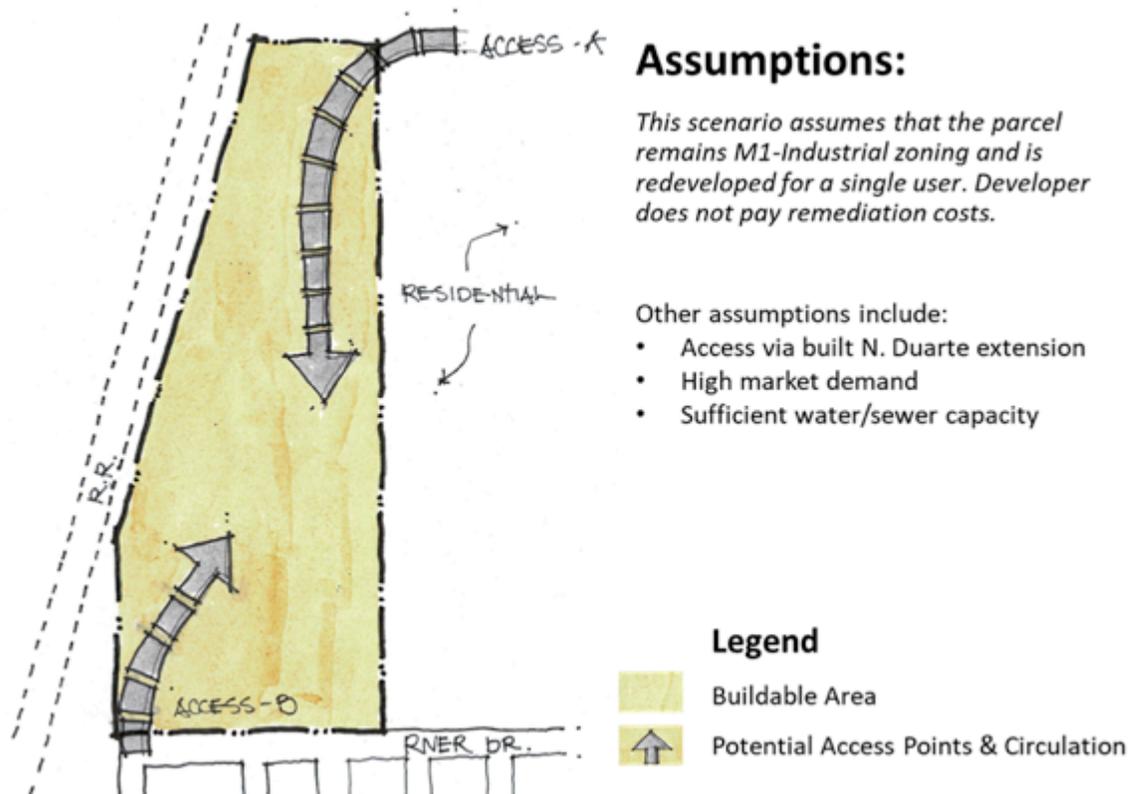


Figure 8: Scenario 2 Site Plan

## Detailed Assumptions

<b>Info</b>	<b>Zone</b>	M1 - Industrial
	<b>Parcel Size</b>	11 acres
<b>Program</b>	<b>Parking Spaces</b>	178
	<b>Useable Site Area</b>	479,160sf
<b>Costs</b>	<b>Hard Costs</b>	
	Buildings	\$14M
	Parking	\$1.5M
	Infrastructure	\$4.3M
	Land	\$2.4M
	Remediation	0
	<b>Soft Costs</b>	
	Entitlement	\$100,000
	Other (legal, interest, fees, etc.)	\$5.3M
	<b>Total Project Cost</b>	<b>\$28M</b>
<b>Revenue</b>	<b>Total Leaseable SqFt</b>	182,000
	<b>Lease Rate</b>	\$12/SF/Year
<b>Financial Performance</b>	<b>10-yr gross income (GPI)</b>	\$25M
	<b># of Jobs</b>	100
	<b>Subsidy required to meet target return</b>	<b>\$4.4M</b>

Figure 9: Scenario 2 detailed financial assumptions

### Remediation Costs

As shown in Figure 9 above, no costs are allocated to remediation. It is assumed that remediation will be paid for through a combination of property owner resources and sources in the Gap Funding Options section for which the site may be eligible

### Land Entitlement

Given that the proposed development in this scenario adheres to existing zoning regulations in the M1 zone, entitlement fees would be significantly less than in Scenario 1. In order to account for this expenditure, an entitlement cost of \$100,000 was assumed.

### Land Costs

A land cost of \$5 per square foot, or \$2.4 million was assumed for the Site and based on other on-market vacant land in the area. This cost includes any site preparation and, as stated above, assumes remediation costs are not borne by the developer.

### Access and Infrastructure

The Scenario 2 site plan presents possible access into the site and does not make recommendations of where roadways internal to the site would connect with the existing or future street network. Connections could occur at the north end (on Duarte) or on the south end (River Drive). If connections were made on the north end of the site, N. Palm Avenue/N. Duarte Street would need to be extended beyond Colegrove Road. This would only require tying into this newly built extension rather than taking on the costs of a longer road extension. In addition, it is assumed that adequate sewage and water

service capacity exists to the site boundary. Costs for construction of roads, sewer, and water service lines, and common landscaping internal to the site were included in the cost calculations at \$4.3 million.

### **Market Outlook**

The regional outlook for industrial uses in Imperial County is strong. According to representatives of the Imperial Valley Economic Development Council (IVEDC), there is over \$10 Billion in recent industrial development investment in the Imperial Valley, with roughly \$20 Billion in the planning or negotiation phase. According to the California Economic Development Department, the manufacturing and wholesale trade sectors of Imperial County's economy are projected to grow by 18% between 2014 and 2024.

In terms of speculative industrial development in Brawley, there are comparable properties near the Site that have been developed over the last 15 years. Roughly one-half mile to the east, the River Drive industrial area contains viable industrial uses similar in scale to those proposed in this scenario. The final consideration for a developer building a speculative project is timing, which in this case, is favorable because the Site is already zoned for the use under this scenario. A developer will consider the anticipated timeframe to sell the parcels in order to avoid excessive carry costs.

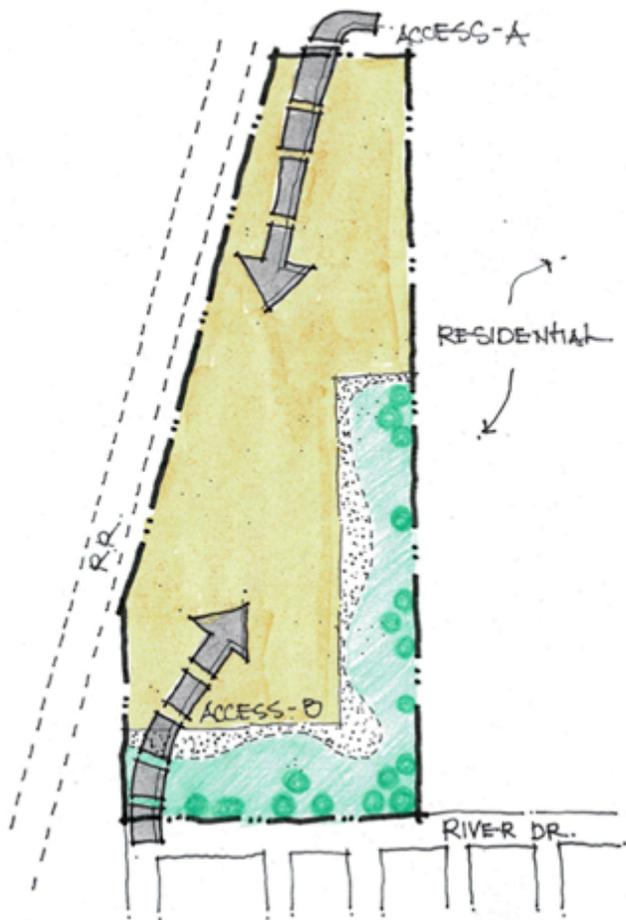
### **Scenario 2 Conclusions**

Despite the positive market outlook, the subsidy required for the proposed project in Scenario 2 to meet a reasonable return on investment is \$4.4 million, roughly 16% of total project cost. However, given potential growth in the industrial and wholesale trade sectors, it is not unreasonable to expect that higher demand and a mix of regional and state incentives could make a project under this scenario feasible in the near future. Resources and strategies identified in the Gap Funding Options could help narrow this gap.

### Scenario 3: Industrial Park with Buffer

Similar to Scenario 2, this scenario assumes a speculative industrial park with several industrial users averaging roughly 50,000 square feet each. A key component of this scenario is a 140-foot wide landscape buffer totaling 150,000 sq. ft. that mitigates proximity of industrial uses to adjacent residences. This scenario may require that the mitigation buffer be remediated to a higher cleanup standard, depending on the level of public access onto the buffer and a risk analysis conducted under DTSC oversight.

In addition to a mitigation buffer on the eastern edge of the site, the development would also include the required 20-foot front setbacks and 10-foot rear setbacks with a masonry wall along the southern and eastern edges due to these boundaries being adjacent to residential zones.



### Assumptions:

*This scenario assumes that the parcel remains M1-Industrial zoning but has higher remediation within a landscaped buffer adjacent residential. Future development is industrial business park. Developer does not pay remediation costs.*

Other assumptions include:

- Access via N. Duarte extension is available
- No surrounding land use conflicts
- Large landscaped buffer remediated to higher standard
- Single user, purpose-built
- Sufficient water/sewer capacity

### Legend

- Buildable Area
- Enhanced Buffer
- Potential Access Points & Circulation

Figure 10: Scenario 3 site plan

## Detailed Assumptions

<b>Info</b>	Zone	M1 - Industrial
	Parcel Size	11 acres
<b>Program</b>	Parking Spaces	100
	Useable Site Area	326,700 sf
<b>Costs</b>	<b>Hard Costs</b>	
	Buildings	\$8.5M
	Parking	\$851,000
	Infrastructure	\$3.4M
	Land	\$1.6M
	Remediation	0
	<b>Soft Costs</b>	
	Entitlement	\$100,000
	Other (legal, interest, fees, etc.)	\$3.4M
	<b>Total Project Cost</b>	<b>\$18.7M</b>
<b>Revenue</b>	Total Leaseable SqFt	106,000
	Lease Rate	\$12/SF/Year
<b>Financial Performance</b>	10-yr gross income (GPI)	\$14.6M
	# of Jobs	58
	Subsidy required to meet target return	<b>\$6M</b>

Figure 11: Scenario 3 detailed financial assumptions

### Remediation Costs

As shown in Figure 11 above, no costs are allocated to remediation. It is assumed that remediation will be paid for through a combination of property owner resources and sources in the Gap Funding Options section for which the site may be eligible

### Land Entitlement

Similar to Scenario 2, the entitlement cost assumed for this project was \$100,000.

### Land Costs

A land cost of \$5 per square foot, or \$2.4 million was assumed for the Site and based on other on-market vacant land in the area. This cost includes any site preparation and, as stated above, assumes remediation costs are not borne by the developer.

### Access and Infrastructure

Like Scenario 2, the conceptual site plan takes a general view of access to the Site and does not make recommendations of where roadways internal to the site would connect with the existing or future street network. Rather, the site plan assumes that adequate roadway, sewer, and water infrastructure exist in close proximity to the site boundary. Costs for construction of roads, sewer, and water service lines, and common landscaping internal to the site were included in the calculations at \$2.9 million. The cost for construction of the landscaped buffer was estimated at \$500,000, excluding any additional remediation costs. Ongoing maintenance of the buffered area was not included in cost analysis assumptions.

## **Market Outlook**

See market outlook for scenario 2.

## **Scenario 3 Conclusions**

Like Scenario 2, this scenario will require a subsidy - \$6.0 million - to meet a reasonable return on investment. At roughly 32% of total project cost, the financial gap is larger than Scenario 2 owing to a portion of the Site being dedicated to non-revenue generating mitigation buffer. Despite potential growth in the industrial and wholesale trade sectors, Scenario 3 may not be feasible in the short term due to the size of the financial gap.

## **Other considerations**

The three options illustrate the market feasibility of a single-use on the Site. This study did not consider options that involve two or more uses, such as subdividing the site into two or more parcels for different uses (e.g., part residential, part light industrial). Due to the anticipated increased planning, zoning and infrastructure costs for multiple uses, it is unlikely that any combination of uses would result in developments that would yield better returns to a developer.

## 4 Gap Funding Options

Government grants, financing programs and gap financing may help partially offset some of the gaps identified above. These programs are highly specialized and eligibility varies and depends on the proposed use, property owner, investor and many other factors. Local government participation is necessary to avail of any grants, and helps facilitate access to the other financing options. Additional sources may be available for other redevelopment options that are not considered as reuse scenarios.

Site Remediation and Reuse Planning: Grants and loans may be available for eligible costs and eligible property owners. Chevron, the property owner, is ineligible for these programs. However, a prospective purchaser, such as a public or nonprofit entity, may be eligible for grants under certain conditions. As the requirements of these programs are site-specific and situational, the agencies below should be contacted for further information.

- U.S. Environmental Protection Agency Brownfields Program: Grants and loans to public agencies and nonprofit organization to assess and cleanup contaminated sites, and loans to private entities for site cleanup. The grantee or borrower cannot be deemed responsible for the contamination on the site.
- Department of Toxic Substances Control - Brownfields Program: Requirements are similar to the EPA program.

Infrastructure Construction and Planning:

- U.S. Department of Commerce, Economic Development Administration: Planning and infrastructure funding for job creation.
- U.S. Department of Agriculture, Rural Development: Capital and planning programs for agricultural based industries.
- Enhanced Infrastructure Financing Districts and Community Revitalization Investment Areas: Property-based tax-increment programs to support infrastructure development, housing, remediation and other eligible expenses.

Commercial/Industrial Development:

- New Markets Tax Credits: Federal tax credit for business and real estate investment in designated low-income census tracts. Note - the Site is located in an eligible census tract.
- Opportunity Zones: Preferential tax treatment (e.g. capital gains liability forgiveness) for new investments in designated census tracts. Note - the Site is located in an eligible census tract.
- U.S. Department of Housing and Urban Development, Section 108 program. Affordable financing for economic development and other physical development projects for projects that benefit low-income persons (i.e., provide employment or housing).
- U.S. Department of Agriculture, Rural Development: Business development in eligible rural areas

### Local Incentives

Local governments can provide incentives for developments that fulfill local objectives and community benefits (e.g. affordable housing or jobs). These may be provided as density bonuses, increased height and floor area ratio, reduced parking requirements, and many others. The character of and impact to the surrounding neighborhood are usually taken into consideration when using such incentives.

## 5 Conclusion

Contaminated sites can be redeveloped to productive use. Realistic expectations and coordinated efforts can help accelerate the cleanup and redevelopment of a site. Often, local government can facilitate remediation and redevelopment through access to grants and financing, incentives, and other forms of assistance.

The purpose of the Vision-to-Action (V2A) exercise was to provide the City of Brawley information on the feasibility of possible site reuse options based on community desires, economic and market conditions and anticipated costs of these options. The feasible reuse would inform the land use which DTSC uses to calculate cleanup options.

Specifically, the objectives of the V2A exercise were: 1) to gather community ideas for a range of reuse options; 2) determine the feasibility of these reuse options, and if infeasible, what measures, if any, the City can undertake to narrow a feasibility gap of an option; and 3) recommend a land use option which is most responsive to the environmental and economic constraints of the Site. This would be the recommended option, which DTSC can use as the cleanup standard for the site.

Three reuse options were evaluated, with the summary on feasibility and findings under each option:

- 1) Scenario 1: Single-Family Subdivision
  - a) Feasibility:
    - i) Gap: This scenario would need a subsidy of \$13.3M to meet a developer's desired return on investment.
    - ii) The site will need to be rezoned from M1 to R1 zoning to allow residential use. The City has indicated that rezoning of this property needs to be initiated by the property owner or a willing buyer/developer for residential use. Chevron has given no indication that they will request a land use change, or a purchase offer from a residential developer.
    - iii) Under this scenario, the incremental cost of remediating the site suitable for residential use is an additional cost that will add to \$13.3M gap.
  - b) Findings: There are insufficient grants and incentives that the City would be eligible and compete for to eliminate a \$13.3M plus incremental remedial cost gap. The market conditions and funding gap will discourage any prospective residential developer. Rezoning the site to R1 would not facilitate, and possibly inhibit the future reuse of the Site. Under this scenario, the Site could remain vacant into the foreseeable future.
- 2) Scenario 2: Industrial Park
  - a) Feasibility:
    - i) Gap: This scenario would need a subsidy of \$4.4M to meet a developer's desired return on investment.
    - ii) Under an industrial cleanup option, DTSC will impose conditions to prevent the reuse of the Site to more sensitive uses (e.g., residential, school, park) without additional analysis and remediation. There will be measures instituted to ensure that the public and the environment will be protected into the foreseeable future from any residual contamination

than is permitted by DTSC to remain on site. Such measures may include engineering controls, such as caps, proper drainage and other protective barriers, and institutional controls, such as deed restrictions on use, access, maintenance and ongoing monitoring.

- b) Findings: Current market conditions and access to possible financing programs and City incentives may help narrow the gap. In the near term, the gap may narrow as the supply of industrial land is constrained. The City will need to retain staff or consultants to obtain grants or financing from the most appropriate programs, based on the proposed development.

### 3) Scenario 3: Industrial Park with Buffer

#### a) Feasibility:

- i) Gap: This scenario would need a subsidy of \$6.0M to meet a developer's desired return on investment.
- ii) Under this scenario, there may be an incremental cost of remediating the buffer to a standard based on public access to the buffer and corresponding exposure analysis. This will be in addition to \$6.0M gap. As in Scenario 2, DTSC will impose conditions to prevent the reuse of the Site to more sensitive uses without additional analysis and remediation.

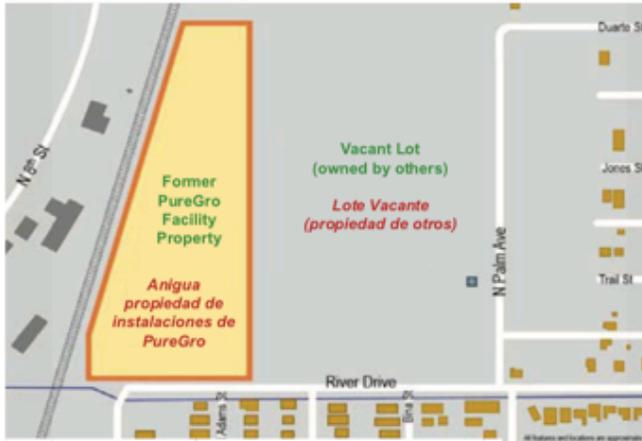
- b) Findings: As in Scenario 2, current market conditions, and access to possible financing programs and City incentives may help narrow the gap. The City will need to retain staff or consultants to obtain grants or financing from the most appropriate programs, based on the proposed development. The additional gap and cost of installing a buffer will extend the eventual redevelopment of this site by a few years.

Based on these findings, CCLR finds that the most prudent course of action is retain the M1 zoning and for the City of Brawley continue to work with DTSC, Chevron and stakeholders for a remedial option and mitigations that encourages near-term reuse that is protective of adjacent residents from the impacts of remediation, redevelopment and operations on the PureGro Site. This suggests a reuse option ranging from Scenario 2 and Scenario 3 above.

As of the December 10, 2018 workshop, representatives from DTSC indicated that any alternatives presented would include removal of the stockpile on the Site. DTSC will use the reuse plan developed during the next few months as a basis for the revised DRAP. It must be noted that near-term remediation of the Site for M1 use does not preclude other future reuse options on the Site, which will need to be evaluated through additional assessment and cleanup. Nor does it prevent the property owner from voluntarily remediating the Site, or portions thereof, to a higher standard.

The alternatives are based on current land use, and economic and market conditions, as well as available government programs to assist cleanup and redevelopment of the Site. Since economic and market forces are outside the control of the City, DTSC, Chevron and most stakeholders, and will change over time, these alternatives may need to be reevaluated over time, as market forces and government assistance programs change.

## Attachment 1: Meeting Postcard



Former PureGro Brawley Site. 1025 River Drive, Brawley

### What? | ¿Qué?

A community workshop  
*Un taller comunitario*



### When? | ¿Cuándo?

December 10th, 5:30 to 7:30 pm  
*10 de diciembre, a las 5:30 a 7:30 pm*

### Where? | ¿Dónde?

J. W. Oakley Elementary School  
1401 B St, Brawley, CA 92227  
School cafeteria | *cafetería escolar*

Refreshments provided | *Se proveerán refrigerious*  
Translation available | *Traducción disponible*

### For more information: | Para más información contacte a:

Ignacio Dayrit, Director of Programs  
415.398.1080 x107  
ignacio.dayrit@cclr.org

<https://www.cclr.org> or  
<https://www.cclr.org/civicrm/event/info?reset=1&id=278>

### Your opinion matters.

On December 10th, the Center for Creative Land Recycling (CCLR or “see clear”) will host a community workshop for neighbors and other stakeholders to discuss the future of the former PureGro facility located at 1025 River Drive in Brawley. Join us as we gather input and develop a range of short-term and long-term re-use options for the site.

### Let’s talk about the future.

The PureGro site won’t always be a vacant lot. The Department of Toxic Substances Control (DTSC) withdrew the February 2018 Cleanup Plan for the PureGro facility and is seeking input on reuse options to consider when developing a revised Cleanup Plan. The purpose of the workshop is to understand what the site should become and how it can contribute to the community in a positive way. CCLR was contacted by the City of Brawley to organize the workshop because CCLR has helped communities all over the country think about the future of similar sites.

### What to expect.

During the workshop we will focus on what happens on the site after it is cleaned up. In addition, we will:

- Learn about redevelopment
- Discuss near and long-term use ideas
- Have a live audience survey
- Design future re-use options
- Identify best practices and sustainable models from other communities with similar sites.

### Su opinión importa.

El 10 de diciembre, el Centro para el Reciclaje de Tierras Creativas (CCLR o “see clear,” por sus siglas en inglés) organizará un taller comunitario para que los vecinos y otras partes interesadas discutan el futuro de la antigua instalación de PureGro ubicada en 1025 River Drive en Brawley. Únase a nosotros para reunir información y desarrollar una gama de opciones de reutilización a corto y largo plazo para el sitio.

### Hablemos del futuro.

El sitio de PureGro no siempre estará vacío. El Departamento de Control de Sustancias Tóxicas (DTSC, por sus siglas

en inglés) retiró el plan de limpieza de febrero de 2018 para las instalaciones de PureGro y está buscando información sobre las opciones de reutilización que se deben tener en cuenta al desarrollar un plan de limpieza revisado. El propósito del taller es para comprender qué se debe convertir en el sitio y cómo puede contribuir a la comunidad de una manera positiva. La Ciudad de Brawley se contactó con CCLR para organizar el taller porque CCLR ha ayudado a comunidades en todo el país a pensar sobre el futuro de sitios similares.

### Que se espera.

Durante el taller, nos concentraremos en lo que sucederá en el sitio una vez que se haya limpiado. Además, nosotros:

- Aprender sobre la reurbanización.
- Discutir ideas de uso a corto y largo plazo.
- Tener una encuesta de audiencia en vivo.
- Diseñar futuras opciones de reutilización.
- Identificar mejores prácticas y modelos sostenibles de otras comunidades con sitios similares.

## Attachment 2: December 10, 2018 Presentation Slides

**Vision 2 Action**  
**Visión para la acción**  
 Former PureGro Site  
 Brawley, CA  
 December 10<sup>th</sup>, 2018

**Welcome Remarks**      **Palabras de bienvenida**

- City of Brawley
- Ciudad de Brawley
- The CCLR Team
- El equipo de CCLR

- Be respectful of other's opinions
- Ser respetuoso con las opiniones de otros.
- Question after the presentation.
- Preguntas después de la presentación.

**Tonight's Agenda | La agenda de esta noche**



**Learn Possibilities**  
Posibilidades de aprendizaje



**Your Opinion**  
Su opinión



**Your Vision**  
Tu visión

**Site History | Historia del sitio**



- 1940 – 2000: PureGro Company
- 2000 – 2001: Structures Demolished / Estructuras Demolidas
- 2006 – Today: Soil Stockpiled, Site Fenced. / Suelo almacenado, sitio vallado.

**Former PureGro Site Today... El ex sitio de PureGro hoy ...**



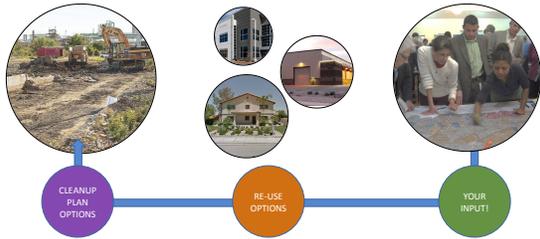
(Looking North from River Dr.)      (Mirando hacia el norte desde River Dr.)

**How we got here | Como llegamos aqui**

- City request to the Center for Creative Land Recycling (CCLR)
- Solicitud de la ciudad al Centro de Center for Creative Land Recycling (CCLR)
- CCLR is a nonprofit that assists cities, states, nonprofits and their partners clean up and reuse blighted properties
- CCLR es una organización sin fines de lucro que ayuda a ciudades, estados, organizaciones sin fines de lucro y sus socios a limpiar y reutilizar propiedades deterioradas
- Research, meetings, interviews...
- Investigación, reuniones, entrevistas...

Dec 10 Workshop Slides

### How does this fit into the cleanup process?



### Our role | Nuestro rol

1. Provide information about the former PureGro site.
2. Share knowledge of brownfield redevelopment.
3. Learn what you would like the site to be.
4. Help you provide informed input.

### Tonight's Goal

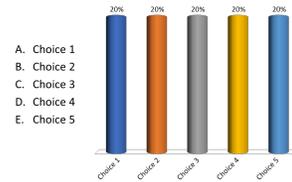
- Share your vision for how the former PureGro site should be used in the future
- Your vision will help inform cleanup options.



### La meta de esta noche

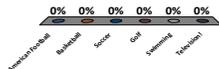
- Comparta su visión de cómo se debe usar el sitio de PureGro anterior en el futuro.
- Su visión ayudará a informar las opciones de limpieza.

### Audience Polling | Voto del público



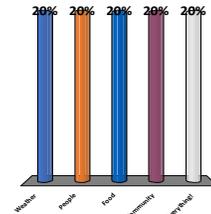
### What is your favorite sport? ¿Cuál es su deporte favorito?

- A. American Football  
A. Fútbol Americano
- B. Basketball  
B. Baloncesto
- C. Soccer  
C. Fútbol
- D. Golf  
D. Golf
- E. Swimming  
E. Nadando
- F. Television!  
F. Televisión!



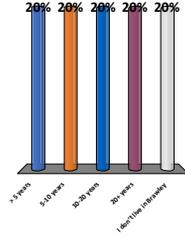
### What do you like most about Brawley? ¿Qué es lo que más te gusta de Brawley?

- A. Weather  
A. El clima
- B. People  
B. La gente
- C. Food  
C. La cocina
- D. Community  
D. La comunidad
- E. Everything!  
E. Todo!

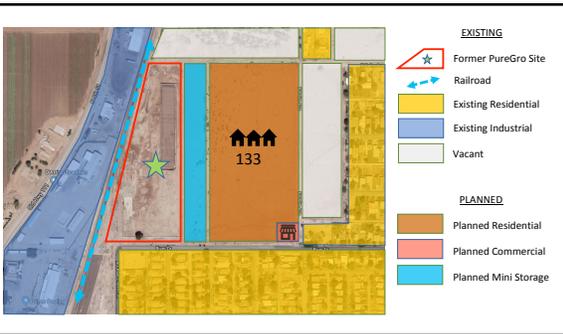
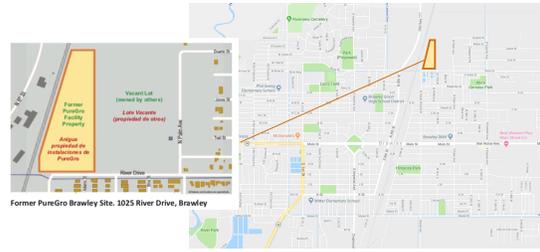


How long have you lived in Brawley?  
 ¿Cuánto tiempo has vivido en Brawley

- A. > 5 years  
*A. > 5 years*
- B. 5-10 years  
*B. 5-10 years*
- C. 10-20 years  
*C. 10-20 years*
- D. 20+ years  
*D. 20+ years*
- E. I don't live in Brawley  
*E. I don't live in Brawley*



Former PureGro Site Location



Former PureGro Site Today... El ex sitio de PureGro hoy ...

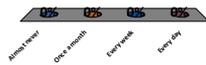


What do we want to see here in the future?  
 ¿Qué queremos ver aquí en el futuro?

(Looking North from River Dr.) (Mirando hacia el norte desde River Dr.)

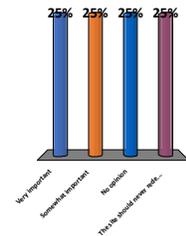
How often do you see the former PureGro site?  
 How often do you see the former PureGro site?

- A. Almost never  
*A. Almost never*
- B. Once a month  
*B. Once a month*
- C. Every week  
*C. Every week*
- D. Every day  
*D. Every day*



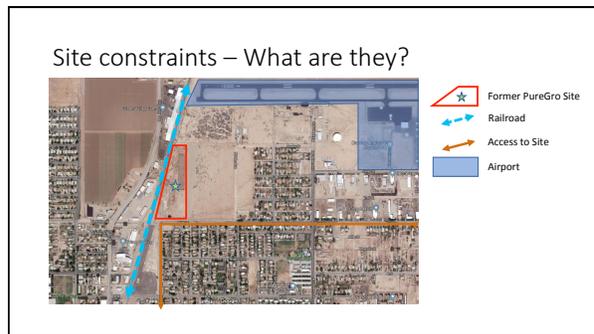
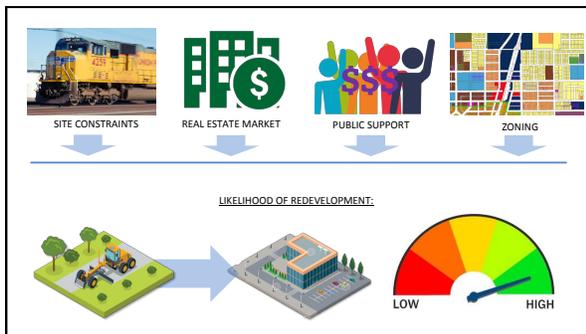
How important is redevelopment of the former PureGro Site?  
 How important is redevelopment of the former PureGro Site?

- A. Very important  
*A. Very important*
- B. Somewhat important  
*B. Somewhat important*
- C. No opinion  
*C. No opinion*
- D. The site should never redevelop  
*D. This site should never redevelop*



## How does development happen?

¿Cómo aparece el desarrollo inmobiliario?



## Site constraints – What are they?

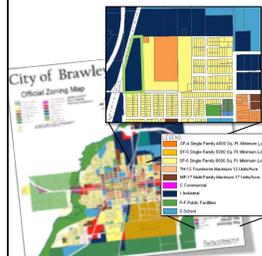


1. Railroad
2. Airport
3. Contamination
4. Road access

	Noise	Rail/Airport Access	Contamination	Road Access
Commercial	○	○	○	✗
Light Industrial	○	✓	○	○
Residential	✗	○	✗	✗

✓ Positive    ○ Neutral    ✗ Negative

## Zoning – What is it?

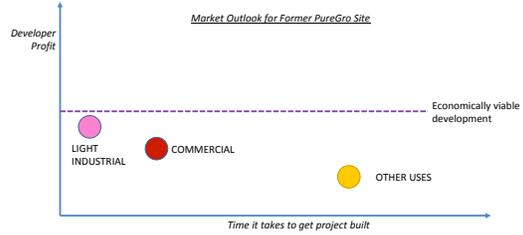


- Zoning defines allowed uses and how a site can be developed
- M-1 Zone: Light Manufacturing

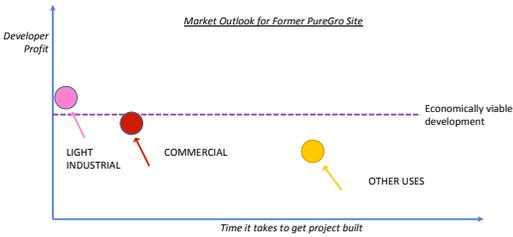
## Zoning – Example Uses



## Real estate market conditions – How does it work?



## Public support – what role does it play?



## What could the former PureGro site become?

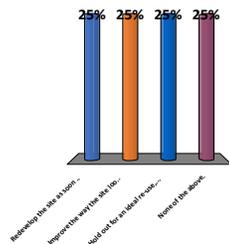
OTHER USES  
*Market does not support, requires developer-initiated zone change, site not ideal*

COMMERCIAL  
*Market does not support, requires developer-initiated zone change*

LIGHT INDUSTRIAL  
*Market may support, no zone change required*

## Aside from remediation, what is your highest priority for the site?

- A. Redevelop the site as soon as possible.
- B. Improve the way the site looks from surrounding neighborhoods.
- C. Hold out for an ideal re-use, even if it does not happen for many years.
- D. None of the above.



## Let's talk about the future...



What should the former PureGro site become?

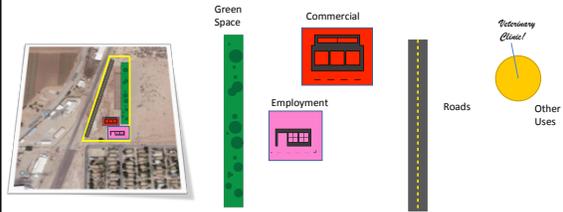
All ideas welcome, but should be realistic



Former PureGro Brawley Site. 1025 River Drive, Brawley

- **Employment** - manufacturing, storage, high-tech
- **Commercial** - stores, supermarkets, offices
- **Open/Green Space** - Trees, shrubs, berms, swales
- **Other uses** - Use dots and tell us what they mean

Design your ideal realistic use for the site.



### Light Industrial Uses



### Commercial Uses



### Open/Green Space



Remember:

- The type of re-use matters.
- Landscaping is important.
- Don't forget to add streets!

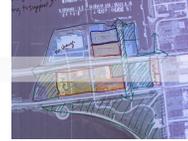
Design your ideal site map...



We turn your map into a re-use plan...



DIGITIZED



ANALYZED



FINAL SITE PROPOSAL

Let's begin!



¡vamos a empezar!

## Attachment 3: Acknowledgements

### **About the Center for Creative Land Recycling (CCLR, or “see clear”)**

CCLR is the oldest and only national, independent nonprofit organization whose mission is to enable communities to grow and prosper sustainably and equitably by revitalizing underutilized properties and helping return them to productive reuse. For over 20 years, CCLR has convened, consulted and collaborated with communities, government agencies and the private sector to encourage land redevelopment in ways that reduce inequity and increase community wellbeing. By serving as a trusted advisor, facilitator and project manager, CCLR builds local capacity to create job-generating redevelopment, restore the environment and build more equitable, healthy and prosperous futures.

The following persons were involved in the preparation of this report.

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Gordon Gaste, Planning Director, City of Brawley

Timothy Kelly, Imperial Valley Economic Development Corporation

Andrea Roark, Executive Director, Imperial Valley Housing Authority

Erik Zitek, Viridian Partners



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